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## Hollywood Movies as Commodity and Culture: A Historical Review

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### Abstract

In the age of globalization, Hollywood movies have become a world phenomenon that needs much attention and concern. As a special product, Hollywood movies have both economic and cultural properties. Hence they have been used a tool of both economic and cultural expansion, making huge profits and selling American way of life throughout the world. A historical review of Hollywood movies as commodity and culture helps understand their increasingly significant influence on the movie industry and culture in the world.

**Key words:** Hollywood movies; Commodity; Culture; Consumerism; American dream

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### INTRODUCTION

In the age of globalization, people throughout the world eat McDonald's and KFC, drink Coca Cola, wear Levi Jeans, listen to Maroon 5, watch NBA, use Microsoft, take Boeings and enjoy Hollywood blockbusters, to name a few. American products, whether physical or digital, are pervasive worldwide. Actually, these American products have long become part of the everyday life in many other countries, particularly that of the youth. Among them Hollywood movies deserve much attention and concern,

for they are both commodity and culture. As commodity they make huge profits economically and as culture they sell American way of life culturally.

### 1. HOLLYWOOD MOVIES AS COMMODITY

Hollywood was from its very beginning an international industry, not merely an American one. Hollywood achieved a dominant position in the world movie market during World War I when the United States rose to be the first economy in the world, and consolidated its dominance during 1920 with an aggressive world marketing strategy. Will Hays argued in the 1920s that "trade no longer follows the flag. Instead, trade follows the film" (Maltby, 1995, p.69). By the late 1920s, Hollywood movies took up as much as 80 percent of the movie market in those countries that had not established quota legislation to protect their own movie industries. In the late 1920s and 1930s, about 35% of Hollywood's income came from its foreign market. Hollywood movies became an important export product in the United States. After the end of World War II, the foreign market weighed even heavier in the income of Hollywood movies. By the 1960s, the income from the foreign market equaled that from the domestic market, and this proportion lasted till 2000 when the Hollywood's share of the world movie market doubled what it was in 1990. In 2000, the income from the foreign market exceeded for the first time that at home. In 2004, the income from the foreign market reached a record high of about US\$14 billion. The figure was expected to rise to US\$24 billion by 2010. Hollywood movies rank the second in the export revenues in the United States, only second to the Hi-Tech industry. Furthermore, the 2000 income of Hollywood movies both abroad and at home totals almost US\$ 30 billion, which matches the GNP of D.P.R.K and Vietnam combined. The miraculous success of Hollywood movies as commodity is beyond any doubt. But how did Hollywood make it? The following analysis

of Hollywood's unparalleled advantages may help understand Hollywood's economic success.

Hollywood maintains a number of advantages that guarantee its superiority in its competition with other national movie industries over local and international markets. These advantages are basically the large budgets, sophisticated marketing strategies and synergy.

The high cost of Hollywood movies is virtually beyond the reach of all the non-Hollywood studios. The average cost of producing, marketing and distributing a Hollywood blockbuster increased from about US\$14 million in 1980 to over US\$60 million by 2000. In fact, those successful blockbusters cost even much more. Bill Mechanic, the ex-head of Fox Studios, said that making a film is one of the riskiest investments in the world. "The business of Hollywood is not for weak minds, weak hearts or weak wallets .... This is not a business of being average" (Laurence, 2002, p.7). This is really the case, as a Hollywood philosophy goes "you have to spend money to make money." For instance, *Titanic* made by Fox in 1997 cost over US\$140 million. But it had profited US\$1.8 billion by the mid-2002.

Ten years ago it cost an average of US\$12 million to market a Hollywood movie. Today the average marketing cost is US\$31 million. Hollywood spends more and more on movie advertising. In 2002, the figure reached over US\$ 3 billion. Today, as a rule, long before the movie's release, the studios buy TV commercials and plastered billboards to promote their movies. Besides, the popular news magazines, newspapers, and television or radio programs report on them. So, even before a blockbuster's release, everyone has heard about and expects to watch it. For instance, even in China, many movie magazines such as *Movie View* (Kan Dianying) and *The Movies Show* (Dianying Shijie) report a lot of Hollywood blockbusters before their release and arouse great interest and expectation among the audience. Even if some of these blockbusters had never shown in China, the extensive promotion spurred the Chinese people, especially the youth, to watch them in the form of pirated VCDs and DVDs. Although it did not profit from the pirated VCDs and DVDs, Hollywood benefited at least in this way that these pirated VCDs and DVDs cultivated numerous Hollywood fans in China.

As a result of the media mergers of the last decade, today, except MGM, all the major Hollywood studios are parts of major global media companies, such as AOL Time Warner, Disney, Viacom, Sony, News Corporation, and Vivendi Universal. These transnational media empires often possess several movie studios, distribution companies, movie theater chains, cable TV & satellite TV networks, publishing houses and so on. In Hollywood, synergistic marketing has become a crucial part of its strategic plan and one of the key factors in its profitability.

Hollywood advantages also include costly special effects, a global distribution capacity, and the financial ability to invest in new facilities, not just at home, but also in foreign markets. For instance, in 2004, AOL Time Warner and Dalian Wanda Group signed a contract to co-develop movie theatre chains in China, with an initial plan to build 30 theatres in some major Chinese cities in the coming several years.

As it can be seen, where Hollywood starts and ends is primarily money. In the global discourse of Neo-liberalism, it can be predicated that the Hollywood empire will be ever expanding, maximizing its profits and undermining the other national movie industries. If the culture embedded in Hollywood movies is taken into consideration, however, the situation is far from being so simple. Hollywood movies are not a simple medium of amusement, but a significant medium for exporting American culture.

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## 2. HOLLYWOOD MOVIES AS CULTURE

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As is known to all, George W. Bush and Saddam Hussein are bitter enemies, but they at least share one thing in common that they are both Hollywood movie fans. In 2002, when making a speech on TV to the nation, George W. Bush, the Texas-born Hollywood fan, said "I want him, dead or alive!", a well-known tag of the sheriffs in Hollywood westerns, declaring officially the United States' hunting for Ben Laden. In spite of his hatred of the United States, Saddam Hussein did not refuse anything American. He was actually a Hollywood addict, with *Brave Heart* as his favorite. In addition, the music of Frank Sinatra, a famous Hollywood movie star and singer, used to be on the air on 28 April, Saddam's birthday, each year. It can be seen from the above examples that Hollywood, the factory of American dream, has integrated into American culture, and, to some extent, has transcended the geographical, spatial, economic, cultural, and even ideological borders into the other national cultures. The worldwide cultural influence of Hollywood movies are not sheer spontaneous, however. It is indeed the aftermath of the United States' cultural expansion.

Of course, cultural expansion is not American-bound. The history witnessed numerous cultural expansions, accompanying the mighty powers' military conquests. For instance, the rulers of the ancient Rome Empire tried their best to disseminate Roman language, religion, architecture and civil culture among the subject peoples, which they believed, could help stabilize their reign there. Actually, many countries in the world are inclined to assume their cultural influence in the international affairs. But the United States went much further than the others along the road of cultural expansion, in which Hollywood movies played an increasingly important role.

In the United States, the movies were considered as merely a business rather than a “speech” until 1952 when the Supreme Court declared that “film content entertained and informed and, therefore, was subject to First Amendment protection” (Folkerts, 2001, p.158). Despite this rather late legal cognition, however, Hollywood movies have always been a “speech” from its early days. For example, as early as in 1923, a *New York Morning Post* article said,

if the United States abolished in diplomatic and consular services, kept its ships in harbor and its tourists at home, and retired from the world's market, its citizens, its problems, its towns and countryside, its roads, motors and cars, counting houses and saloons would still be familiar in the uttermost concerns of the world. . . The film is to America what the flag was once to Britain. By its means Uncle Tom may hope some day, if he is not checked in time, to Americanize the world. (Maltby, 1995, p.69)

As a matter of fact, the influence of Hollywood movies had already been so powerful in 1920s that peoples in many countries considered America as the arbiter of manners, fashion, sports customs and standards of living. Gradually, the influence of the United States was internalized into these peoples' unconsciousness, and then externalized into their behaviors and speeches. For instance, in the 1930s, many British parents named their children after Hollywood stars such as Shirley, Norma or Gary. Implied in this phenomenon is that by naming their children so, the parents virtually wished their children to grow up living in an American way as shown in the movies. Hollywood movies, as seen from the example, became part of the socialization process from their early childhood of British children. In fear of an annexation by the United States, many British scholars protested a lot. But, their efforts did not work effectively to stop the potential danger and Hollywood movies continued to prevail in Britain and other European countries.

The reason lies in that Hollywood is not merely a geographical location or an economic product, but a state of mind, an American way of living, and an ideology of consumerism and hedonism. In short, Hollywood is an embodiment of “American Dream”. The intangible but strong power of Hollywood was called the “soft power” by Joseph Nye, the director of International Studies Center in Harvard University, in contrast with the “hard power” such as military force and politics. So, when the British people immersed themselves in the “soft” Hollywood movies, they were entertained and therefore, did not feel anything wrong to avoid or fight against. Thus, to some extent, the failure of those British scholars attributed to that their intellectual protest were too weak to reach the masses, and therefore failed to shock the masses into an awareness of Hollywood's cultural invasion and the loss of their national cultural identity. Besides, what counted more was the historical, cultural, religious and economic proximity between Britain and the United States, which

was also true to most other European countries except the more elite and intellectual France. Therefore Hollywood movies swept almost all the European countries before the end of World War II, encountering little resistance. The United States finally returned to the Old World, not as a roamer, but a cultural conqueror.

By the end of World War II, the world entered the Cold-War Age, ideologically falling into the Capitalist Camp and the Socialist Camp. As a result, the political and military confrontation between the Two Camps intensified while the economic ties between the two loosened. To Americans, Two Camps' conflicts were more than ideological. In fact, Americans believed that anything related to Communism was radical challenge or threat to the “American Dream” and the basic values of American society. Thus, although the Cold-War rivalry between the Soviet Union and the United States mainly took place in political, economic and military fields, the United States also made every possible means to fight a cultural war against the Soviet Union. The United States thought that if the young people in the Soviet Union watched Hollywood movies, sang American songs and danced American dances, they would, sooner or later, think and behave in the way Americans did. In 1982, President Reagan said explicitly that the last solution to the US-Soviet confrontation was not bombs and missiles, but thoughts and cultures. In fact, long before Reagan's speech to the United States had launched the cultural war marked by the establishment *Free Europe Radio* in 1950. Although during the Cold-War Age Hollywood focused mainly on consolidating its European market, it did get involved in the cultural war against the Soviet Union. Despite the injunction, Hollywood movies were shown secretly and proved to be extremely popular among the youngsters and even some officials in the Soviet Union. As a Soviet Union writer later confessed, these underground movies did produce great influence on the “revolutionary” incident in 1991. And both the political and intellectual circles in the United States confirmed the important role of Hollywood movies in the cultural war as well. Since then, more importance has been attached to Hollywood movies as “soft power”.

The fall of the Soviet Union and Eastern European Communism preluded the post Cold-War Age when Neo-liberalism boomed worldwide and the process of globalization accelerated. In this age, it seems that all ideological and military conflicts have passed and a universally prosperous world is in sight. However, Samuel Huntington proposed his clash of civilizations theory, pointing that the world was on the way to extensive cultural conflicts. Although it was highly praised and hotly responded in the United States, some scholars contested that the theory was nothing but a tool for America's remaking the world order in the post-Cold War Age. That is, justified and disguised by Huntington's

theory, the United States will overtly export its culture (civilization) to the other countries, which are labeled inferior, backward, undemocratic, etc.. In spite of the different voices in the world, however, the United States has already begun to promote the cultural globalization, exactly speaking, Americanization. Consequently, we saw the recent “democratization” by the United States in Kosovo, Afghanistan and Iraq through its “hard power”. Of course, it is impossible for the United States’ “hard power” to work effectively everywhere in the world, so the United States has to apply its “soft power” to those countries its “hard power” cannot reach.

## CONCLUSION

Hollywood movies are special products that have both economic and cultural properties. They have been used intentionally or unintentionally as a tool for American economic and cultural expansion. A historical review of Hollywood movies as commodity and culture may help better understand their current role in the age of globalization, when Hollywood movies will predictably exert increasing influence on the development of movie industries as well as cultural development in many countries.

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